

CALIFORNIA ENERGY COMMISSION

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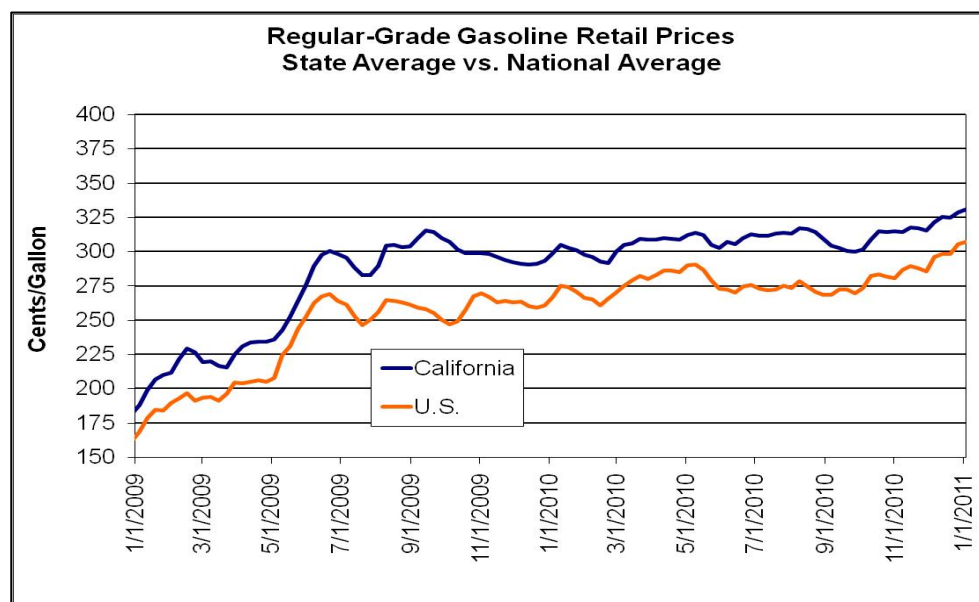
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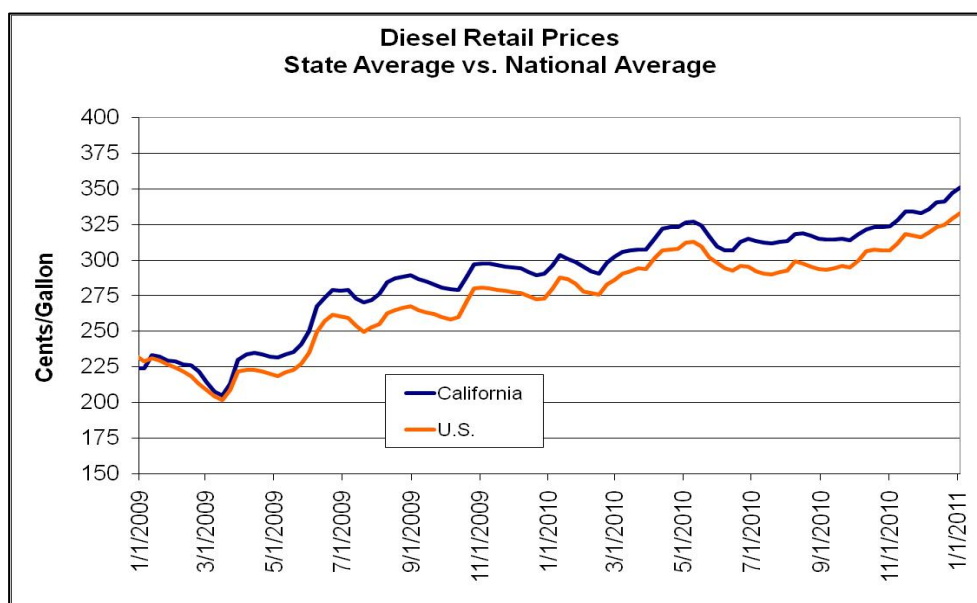
Consumer Information: www.ConsumerEnergyCenter.org

**Petroleum Watch****January 7, 2011*****Retail Gasoline and Diesel Prices on January 3***

- The average California **retail price for regular-grade gasoline** increased 2 cents from last week, rising to \$3.31 per gallon. Prices are 32 cents higher than this time last year and 9 cents higher than a month ago.ⁱ
- The difference between California and U.S. retail gasoline decreased 2 cents since last month to 24 cents per gallon. U.S. gasoline prices increased 11 cents since last month to \$3.07 and are 41 cents more than this time last year.

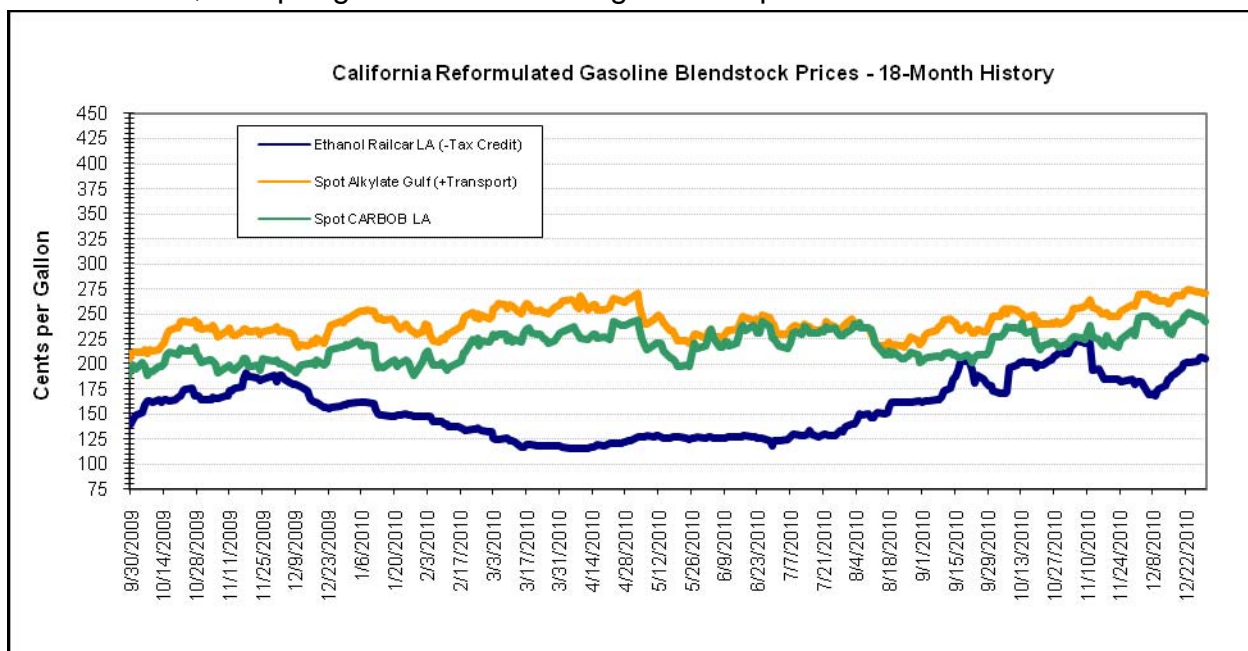


- The average California **retail diesel price** increased 16 cents since last month to \$3.51 per gallon. The U.S. retail diesel price increased 13 cents from a month ago to \$3.33 per gallon.



Wholesale Gasoline and Blendstock Prices on January 4

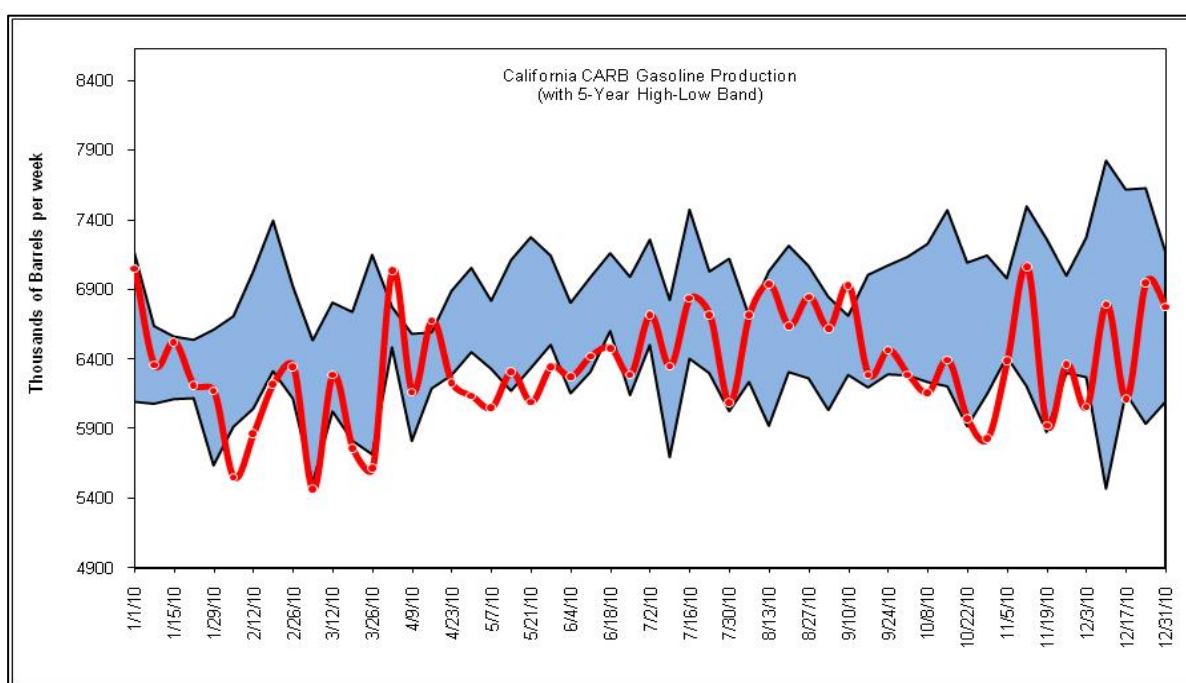
- California **spot wholesale gasoline prices** for regular-grade reformulated blendstock for oxygenate blending (RBOB) fell to \$2.46, 2 cents per gallon less than a month ago but 28 cents more than the same time last year.ⁱⁱ
- Spot prices for RBOB in Los Angeles are 6 cents per gallon less than New York Harbor.
- California **spot wholesale prices for fuel ethanol** increased 23 cents from last month to \$2.06 per gallonⁱⁱⁱ due to a surge in corn prices.



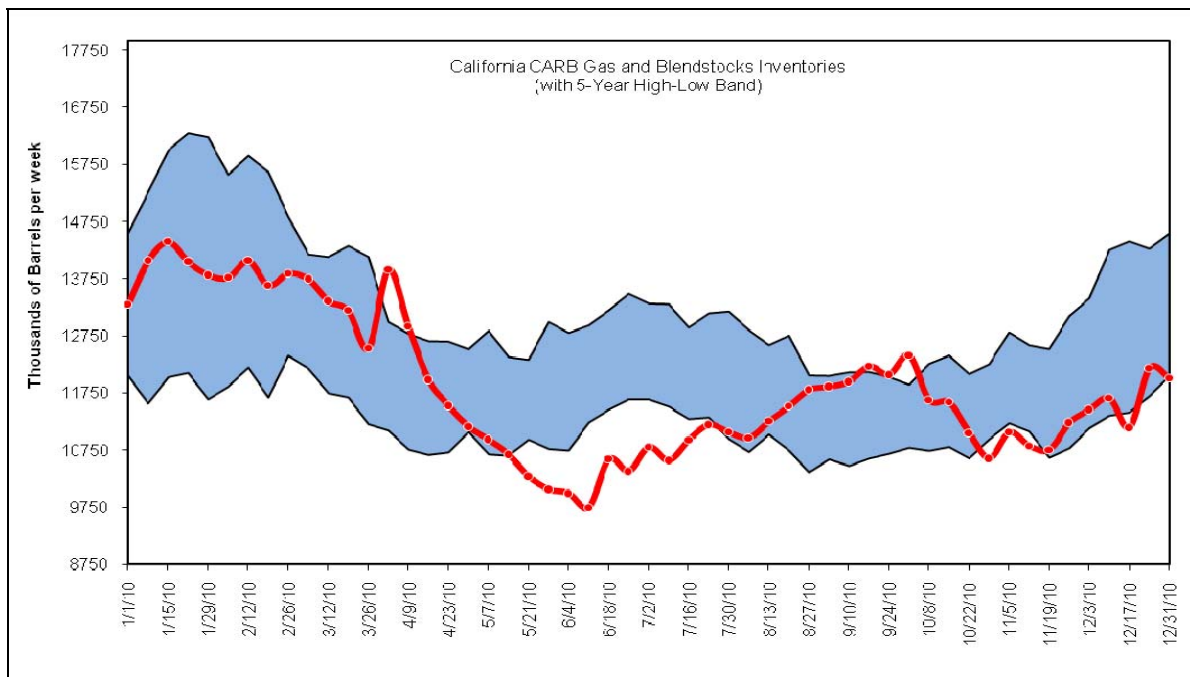
- The Energy Information Administration's (EIA) weekly report for the week ending December 31 shows that **U.S. gasoline demand** decreased 5.8 percent and distillate demand decreased 6.4 percent from the previous week. The four-week average demand for gasoline is 9.2 million barrels per day, an increase of 2.8 percent from the four-week average at the same time last year. The four-week average for U.S. distillate demand is 3.9 million barrels per day, 3.8 percent more than the same period last year.

Refinery Production and Inventories

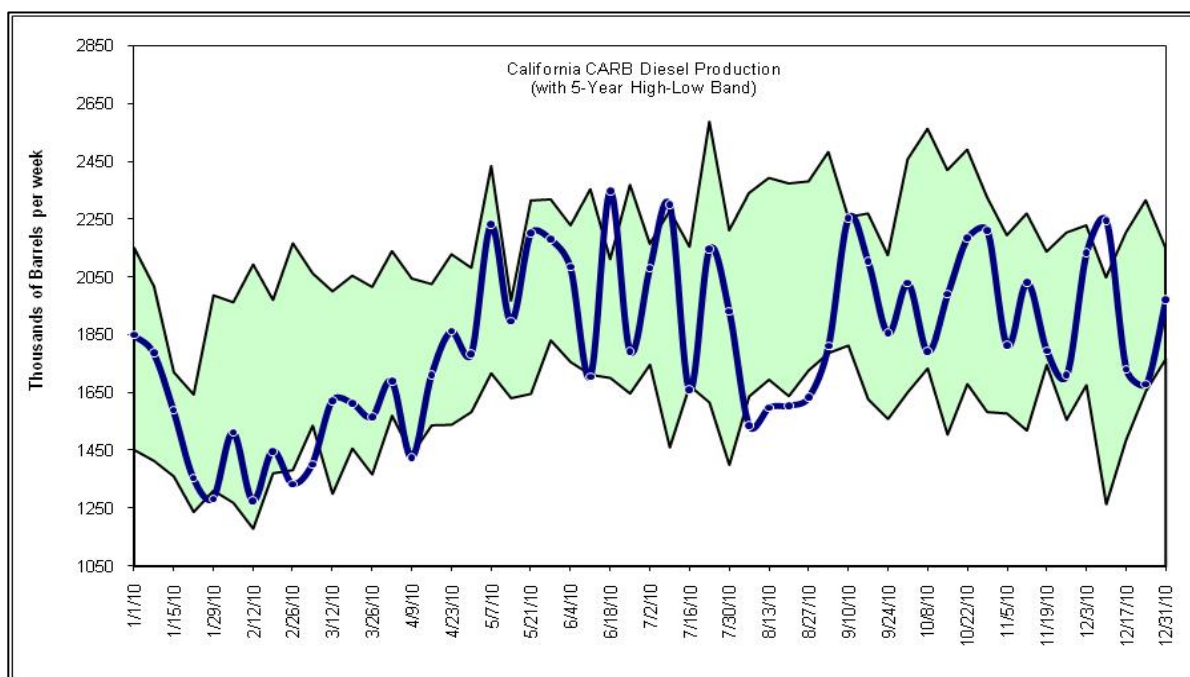
- **Reformulated gasoline production** in California for the week ending December 31 decreased 2.5 percent from the previous week to 6.8 million barrels, remaining near the middle the five-year range and 3.9 percent lower than a year ago.^{iv}



- California **reformulated gasoline inventories** decreased 9.5 percent from last week, while gasoline blendstock inventories increased 5.6 percent. Combined inventories of reformulated gasoline and gasoline blendstocks in the state decreased 1.7 percent to 12.2 million barrels and are at the bottom of the five-year range.

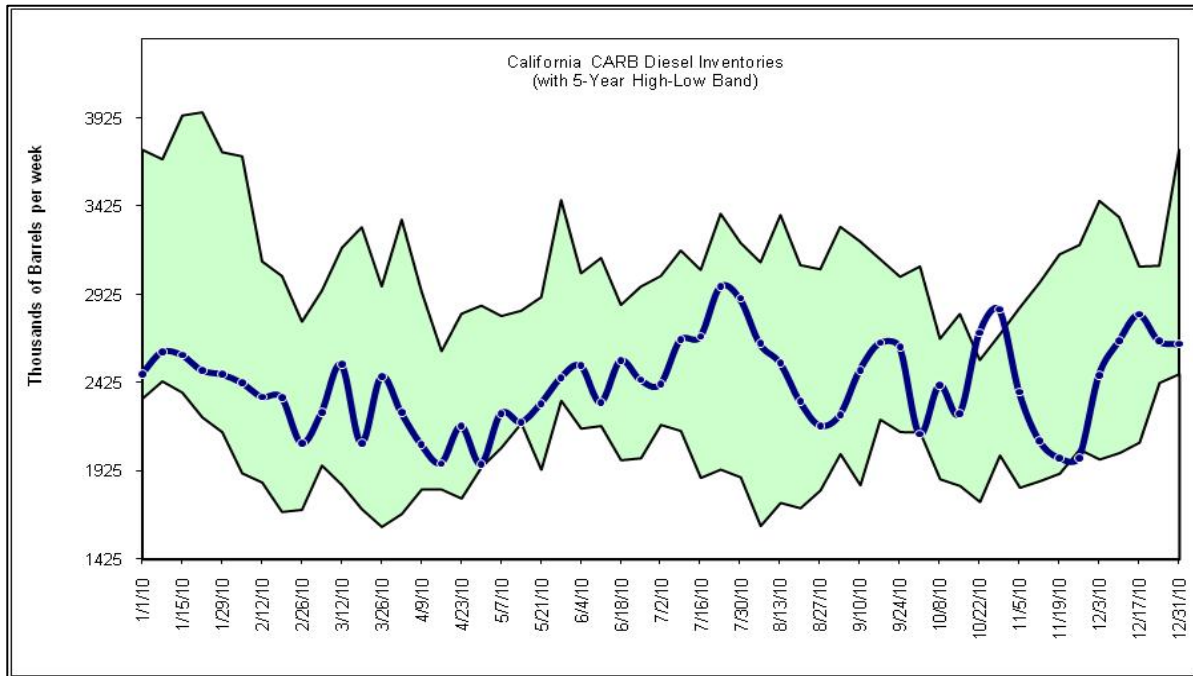


- U.S. gasoline inventories as of December 31 increased to 218.1 million barrels, 3.3 million barrels more than the previous week. Inventories increased on the East and Gulf Coasts and remained unchanged on the West Coast.
- California-compliant **ultra-low-sulfur diesel fuel (CARB diesel) production^v** was 2.0 million barrels during the week ending on December 31, an increase of 17.5 percent from the previous week and rising to the middle of the five-year range.



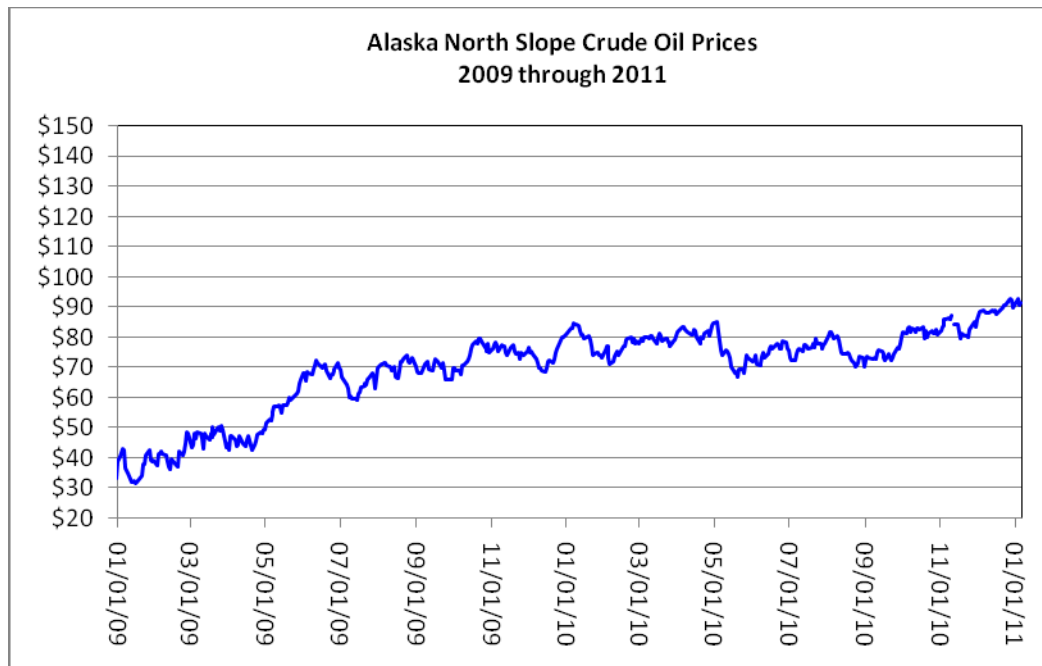
- **Inventories of CARB diesel** in California decreased 0.7 percent from the previous week to 2.6 million barrels, remaining near the bottom of the five-year range. Total U.S. distillate inventories as of December 31 rose to 162.1 million barrels, 1.1 million

barrels more than the previous week. Inventories decreased on the East Coast and increased on the West and Gulf Coasts.



Crude Oil Prices and Inventories

- West Coast prices for Alaska North Slope (ANS) crude oil, an important refinery feedstock for California, increased to \$91.65 as of January 5. Overall, prices increased \$3.62 since last month and are \$8.48 higher than a year ago.^{vi} A movement of investment funds into commodities, a reduction in initial jobless claims, greater than expected automobile sales and factory orders, and an extension of U.S. tax cuts pushed prices up. However, a strengthening of the dollar and continued high unemployment helped restrain price increases.



- U.S. commercial crude oil inventories as of December 31 fell by 4.2 million barrels from the previous week to 335.3 million barrels. Crude oil stocks are 7.9 million barrels more than this time last year and 18.5 million barrels more than the five-year average for this date. California crude oil stocks fell 1.6 percent from the previous week to 14.6 million barrels but are 1.2 percent more than last year.

ⁱ Retail gasoline and diesel prices and U.S. crude oil and product inventory estimates are from the Energy Information Administration of the U.S. Department of Energy.

ⁱⁱ Since the Energy Information Administration is not currently publishing spot prices, the Energy Commission is using data from *The Wall Street Journal's* Market Data for spot wholesale prices. The Energy Commission will reconsider using the Energy Information Administration's wholesale spot gasoline and diesel prices if publication is resumed.

ⁱⁱⁱ Ethanol railcar prices are from Platts Oilgram and are average prices for prompt Southern California shipments minus a 45¢/gal federal excise tax credit for 2009 prices and a 51¢/gal federal excise tax credit for prices prior to 2009. California alkylate prices are also calculated from Platts Oilgram and include a 20¢/gal transportation and distribution cost from Gulf Coast to California. Spot wholesale prices for regular-grade California reformulated gasoline blendstock for oxygenate blending (CARBOB) are from Oil Price Information Service.

^{iv} California refinery production and inventory information is from the Petroleum Industry Information Reporting Act (PIIRA) database maintained by the California Energy Commission.

^v Staff has discontinued the reporting of combined CARB and EPA diesel production and inventories and will report only CARB diesel as of December 2009. EPA diesel is primarily for export from California.

^{vi} ANS crude oil prices are from *The Wall Street Journal*.